GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4477
ANSWERED ON:19.05.2006
DUTY EVASION OF STEEL COMPANIES
Chowdhury Shri Adhir Ranjan

Will the Minister of FINANCE be pleased to state:

(a) whether the Central Excise department has discovered manipulation Worth corres of rupees in accounts and duty evasionsof some steel manufacturing units in Ludhiana recently;

(b) if so, the details in this regards;

(c) whether the Government proposes to take any further action against such units which have defrauded the Goverment;

(d) if so, the details in this regard;and

(e) if not, the reasons thereof?

Answer

MINISTRER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) and (b) Yes, Sir. Cases have been detected against two steel manufacturing units namely M/s Vishvakarma Alloys and Vishvakarma Ispat Ltd., Ludhiana. Preliminary scrutiny has revealed that these two parties have manipulated their records/accounts by having atleast two sets of balance sheets, of which the set other than the original has been forged by them. They have been submitting such forged copies to the department suppressing sales to the tune of Rs.100 crores during the last five years. In addition, physical verification of stocks yielded shortage of 2058.19MT of inputs involving central excise duty amounting to Rs.50.3 lakhs out of which an amount of Rs.43.51 lakhs has been realised. Both the cases are under investigation.

(c),(d) and (e) On completion of the investigations of the cases, action under Central Excise Act, 1944 and rules made thereunder will be taken against the two companies.